

-- Schedule 27 --  
OTHER COST CENTERS

# \_\_\_\_\_

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Type Of Service Or Revenue Generating Activity (Specify)	(A)	(B)	(C)	(D)	(E)
<b>SALARIES AND WAGES</b>					
1. Expense For Productive Hours Worked	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2. Productive Hours Worked-Optional	_____ Hr	_____ Hr	_____ Hr	_____ Hr	_____ Hr
3. Expense For Non-Productive Hours	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
4. Non-Productive Hours-Optional	_____ Hr	_____ Hr	_____ Hr	_____ Hr	_____ Hr
5. Total Salary And Wage Expense	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<b>NON-SALARY EXPENSES (Itemize)</b>					
6. _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
7. _____	_____	_____	_____	_____	_____
8. _____	_____	_____	_____	_____	_____
9. _____	_____	_____	_____	_____	_____
10. _____	_____	_____	_____	_____	_____
11. _____	_____	_____	_____	_____	_____
12. _____	_____	_____	_____	_____	_____
13. _____	_____	_____	_____	_____	_____
14. _____	_____	_____	_____	_____	_____
15. _____	_____	_____	_____	_____	_____
16. _____	_____	_____	_____	_____	_____
17. _____	_____	_____	_____	_____	_____
18. TOTAL EXPENSES	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	(A)	(B)	(C)	(D)	(E)

INSTRUCTIONS FOR  
Schedule 28  
EMPLOYEE FRINGE BENEFIT EXPENSE

In Schedule 28 report the accrued expense for employee fringe benefits which relate only to the salary and wage expenses which have been reported in Schedules 20 to 27. Do not include fringe benefit expenses for employees whose salaries and wages have not been reported in previous schedules of this report. Do not report an expense in this schedule which has been reported in Schedules 20 to 27; only report the expense once.

DEFINITION OF FRINGE BENEFITS

Employee fringe benefit expenses are those expenses incurred by a nursing home provider from which an employee or his/her beneficiary derives a personal benefit before or after the employee's retirement or death.

EXCLUSIONS FROM FRINGE BENEFITS

In general the following types of expenses are not to be included as fringe benefit expenses unless specifically listed in Schedule 28.

1. Expenses to comply with state licensing and federal certification requirements.
2. Expenses incurred for the provider's convenience.
3. Expenses to advance or protect the provider's interest.
4. Expenses from which employees derive or may derive only incidental or nominal benefits.

Expenses Relating To Physical Plant. Depreciation, interest, rent, property tax, maintenance and housekeeping expenses cannot be allocated and reclassified to employee fringe benefit expenses and reported in Schedule 28. For example, such expenses cannot be allocated to the employee break room and reported in Schedule 28 as fringe benefit expenses. An exception will be allowed when it can be clearly shown that employees receive a direct and significant financial benefit from physical plant expenses incurred by the nursing home and the expenses can be adequately determined. If only a few select employees receive such a benefit, the expense should be identified as a "unique" fringe benefit in Schedule 46 - Identification of Expenses For Employee Unique Fringe Benefits - in lieu of reporting the expenses for the benefit in this Schedule 28.

Round all amounts to whole numbers.

EXCLUSIONS (Continued)

Training, Tuition, Convention, Seminar Expenses. Material cost, fees, and travel expenses for inservice training, off-premise training, conventions, seminars and similar events cannot be reported as fringe benefit expenses. These are considered expenses which benefit or advance the nursing home provider's interest even though they may be a perquisite for employees. Such expenses can be reported as a fringe benefit if and only if they are clearly for the sole personal benefit of the employee such as a tuition scholarship for a nurse aide to become a registered nurse. If only a few select employees received such an item, the expense should be identified as a "unique" fringe benefit in Schedule 46 - Identification of Expenses For Employee Unique Fringe Benefits.

Other Specific Exclusions. The following items should not be reported on Schedule 28.

- Name tags
- Snow removal
- Advertising for help
- Life insurance policies of which the facility is the beneficiary.
- Membership fees for professional, technical, civic or other organizations whose function and purpose relate to operating nursing homes and business entities.

LINE 16 - SPECIAL PAYMENTS TO EMPLOYEES

Some providers make payments to employees which are not related to any specific number of hours. For example, such payments could be a regular flat allowance for uniforms, an annual Christmas bonus, or an annual longevity bonus. The expense for these special payments should be reported in Line 16 of Schedule 28. Do not report these expenses in Line 3 of Schedules 20 to 27 (Expense For Non-Productive Hours).

EMPLOYEE FRINGE BENEFIT EXPENSE

FRINGE BENEFITS PAID ON BEHALF OF EMPLOYEES	Expense For Reporting Period
1. Employer's Share of F.I.C.A. ....	\$ _____
2. State Unemployment Compensation .....	_____
3. Federal Unemployment Compensation .....	_____
4. Worker's Compensation Insurance .....	_____
5. Health Insurance .....	_____
6. Life and Disability Insurance .....	_____
7. Wage Continuation Insurance .....	_____
8. Pension and Deferred Compensation Plans ..... (Footnote B)	_____
9. Employee Physicals .....	_____
10. Uniforms .....	_____
11. Other (Specify) _____	_____
12. _____	_____
13. _____	_____
14. _____	_____
15. Total Fringe Benefits Paid On Behalf Of Employees .....	\$ _____
SPECIAL PAYMENTS TO EMPLOYEES	
16. Expense For Special Salary And Wage Payments To Employees Which Are Not Included Elsewhere ..... (Footnote C)	\$ _____
17. TOTAL FRINGE BENEFIT EXPENSES (Line 15 + Line 16)	\$ _____

FOOTNOTE A - If nursing home is a sole proprietorship or a partnership, complete the following for self employment taxes as reported on Form 1040 SE for year ending during the cost reporting period. Do not include self employment taxes in Line 1 F.I.C.A. expense.

Owners' Name	Salary or Net Income	Self Employment Tax Paid
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FOOTNOTE B - For Line 8. For the purpose of pension benefits, some pension plans recognize years of service built-up by employees before the pension plan was established. Briefly explain how the pension expense for these "prior years' services" is amortized to or recognized in the period of this cost report. Also, list below the amount of "prior years' services" pension expense which is included in Line 8.

FOOTNOTE C - For Line 16. Check the types of special salary and wage payments to employees which are included in Line 16.

_____ Christmas bonus	_____ Other (Specify)
_____ Longevity bonus	_____
_____ Productivity bonus	_____
_____ Bonuses To Owners and Immediate Family Relation (Specify)	
Name	Amount Included In Line 16
_____	\$ _____
_____	_____
_____	_____

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-- Schedule 29 --  
HEATING FUEL AND UTILITY EXPENSE

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Report the accrued expense incurred during the period of the cost report for each type of heating fuel and utility service. Government facilities may use the cash basis of reporting.

**SECTION A - ACCRUED EXPENSE BY TYPE**

Accrued Expense For  
Reporting Period

- a. Accounts Payable. The expense should be adjusted to exclude beginning accounts payable and to include ending accounts payable for the reporting period. Make sure to include twelve months and only twelve months of utility expense.
- b. Inventories. The expense for heating fuels such as heating oil, L.P. gas, and coal should be adjusted for changes in inventories between the beginning date and ending date of the reporting period.
- c. Cost Allocation. In Section B, allocate the fuel and utility expense between the Title XIX nursing home area and other major revenue generating areas or non-nursing home areas. If an allocation basis other than square feet is used or if some other allocation technique is used, describe it below. The allocation technique below is similar to the maintenance allocation on Schedule 25A.

1. Fuel Oil. . . . . \$ \_\_\_\_\_
2. Natural Gas . . . . . \_\_\_\_\_
3. L. P. Gas . . . . . \_\_\_\_\_
4. Coal. . . . . \_\_\_\_\_
5. Electricity . . . . . \_\_\_\_\_
6. Water and Sewer Utility Charges \_\_\_\_\_
7. Purchased Steam (See Footnote) \_\_\_\_\_
8. Other \_\_\_\_\_
9. Other \_\_\_\_\_
10. TOTAL FUEL AND UTILITY EXPENSE \$ \_\_\_\_\_  
(To Line 13A Below)

**FOOTNOTE - PURCHASED STEAM**

Estimate percent by type of fuel used by steam vendor during period.

Steam Vendor's Name \_\_\_\_\_  
Fuel Oil \_\_\_\_\_ % Natural Gas \_\_\_\_\_ % Coal \_\_\_\_\_ % Other \_\_\_\_\_ %  
Describe 'Other': \_\_\_\_\_

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**SECTION B - Allocation Of Fuel And Utility Expense**

	(A) Total	(B) Nursing Home Area	(C) Employee Unique Fringe Benefit Areas	Non-Nursing Home Areas & Other Major Revenue Areas Receiving Fuel & Utility Services		
				(D)	(E)	(F)
11. Total Square Feet For Areas						
12. Ratio To Total Square Feet (To 4 decimals)	1.000	(12B)	(12C)	(12D)	(12E)	(12F)
13. Total Allocated Fuel And Utility Expense	\$ (13A)	\$	\$	\$	\$	\$
	Total From Line 10	13A X 12B	13A X 12C	13A X 12D	13A X 12E	13A X 12F

INSTRUCTIONS FOR  
Schedule 30  
INTEREST EXPENSE ON OPERATING WORKING CAPITAL LOANS

A working capital loan is a loan which provided funds for either the current year's or past years' daily operations of the nursing home. Report both current and long term working capital loans in this schedule. Do not include in this Schedule 30 any interest expense on loans for acquisition of plant assets (see Schedule 33).

Enter the name of each lender and the accrued interest expense for the reporting period for each loan.

In Line b of each loan, enter 'Yes' if the lender is related by common ownership or control to the nursing home provider. See Section 400 of the "Instruction Booklet" regarding related parties and organizations.

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INSTRUCTIONS FOR  
Schedule 31  
INSURANCE EXPENSE

Enter the accrued insurance expense for the reporting period by type of insurance coverage.

To the extent possible, property insurance expense and liability insurance expense should be reported separately. For package policies that cover both types of insurance, the insurance agency may be able to separate the cost of the policy between property, liability and other types of coverage.

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INSTRUCTIONS FOR  
Schedule 32  
AMORTIZATION OF DEFERRED EXPENSES

Report the deferred expenses and the amount of expense amortized to the reporting period. Such deferred expenses could include, but are not limited to, debt premiums or discounts, organization costs, and goodwill, and start-up costs.

Complete each column according to the column heading.

In Column A, enter a full and clear description of the deferred expense.

In Column D, if the straight line amortization method is not used, enter the type of amortization method being used in Column D along with the amortization years.

\*\*\* Start-Up Costs. See "Instruction Booklet", Section 600, for discussion on allowed start-up costs.  
(New item for 1983 cost report. )

Round all amounts to whole numbers.

-- Schedule 30 --  
INTEREST EXPENSE  
ON OPERATING WORKING CAPITAL LOANS

Name Of Lendor	Interest Expense For Reporting Period
1a. Lendor _____	\$ _____
b. Is lendor a related party? _____	
2a. Lendor _____	\$ _____
b. Is lendor a related party? _____	
3a. Lendor _____	\$ _____
b. Is lendor a related party? _____	
4a. Lendor _____	\$ _____
b. Is lendor a related party? _____	
5a. Lendor _____	\$ _____
b. Is lendor a related party? _____	
6. TOTAL INTEREST EXPENSE ON OPERATING WORKING CAPITAL LOANS	\$ _____

-- Schedule 31 --  
INSURANCE EXPENSE

Type Of Insurance Coverage	Insurance Expense For Reporting Period
1. Property Insurance (On building & contents)	\$ _____
2. Automobile Insurance.....	_____
3. Liability Insurance.....	_____
4. Business Interruption Insurance.....	_____
5. Life Insurance On Owners And Employees With Facility As Beneficiary .....	_____
6. Mortgage Insurance.....	_____
7. Other Insurance (Describe) _____	_____
8. _____	_____
9. TOTAL INSURANCE EXPENSE	\$ _____

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-- Schedule 32 --  
AMORTIZATION OF DEFERRED EXPENSES

(A) Deferred Expense Or Asset Being Amortized (Give Detailed Description)	(B) Original Cost Of Item	(C) Year Cost Was Incurred	(D) Number Of Years Item Is Being Amortized	UNAMORTIZED BALANCES		(G) Amortization Expense For Reporting Period
				(E) Beginning	(F) Ending	
1. _____	\$ _____	_____	_____	\$ _____	\$ _____	\$ _____
2. _____	_____	_____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____	_____	_____
5. TOTAL AMORTIZATION EXPENSE						\$ _____

INSTRUCTIONS FOR  
Schedule 33  
INTEREST EXPENSE ON PLANT ASSET LOANS

A plant asset loan is a loan used to finance the acquisition or construction of land, buildings and equipment and any betterment or improvement to such plant assets. Report both the current and long term portions of plant asset loans in this schedule. Do not include interest expense on operating working capital loans (see Schedule 30).

Separately itemize each plant asset loan by lender.

Line a - Enter the name of the lender.

Line b - Enter 'Yes' if the lender is related by common ownership or control to the nursing home provider. See Section 400 of the "Instruction Booklet" regarding related parties and organizations.

Line c - Briefly describe the purpose of the loan.

Complete each column according to the column heading.

In Column H, enter the accrued interest expense for the cost reporting period.

In Columns D, E, and F, enter the remaining balance of loan principal:

- At beginning of the cost reporting period
- At the end of the sixth month of the cost reporting period
- At the end of the cost reporting period



-- Schedule 33 --

INTEREST EXPENSE ON PLANT ASSET LOANS

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	(A) Original Date of Loan Month/Year	(B) Maturing Date of Loan Month/Year	(C) Original Amount of Loan	REMAINING BALANCE OF LOAN PRINCIPAL			(G) Interest Rate	(H) Interest Expense For Reporting Period
				(D) BEGINNING	(E) 6TH MONTH END	(F) ENDING		
				Date	Date	Date		
1a. Lendor _____								
b. Is lendor a related party? _____								
c. Purpose of loan _____			\$ _____	\$ _____	\$ _____	\$ _____	% _____	\$ _____
2a. Lendor _____								
b. Is lendor a related party? _____								
c. Purpose of loan _____			\$ _____	\$ _____	\$ _____	\$ _____	% _____	\$ _____
3a. Lendor _____								
b. Is lendor a related party? _____								
c. Purpose of loan _____			\$ _____	\$ _____	\$ _____	\$ _____	% _____	\$ _____
4a. Lendor _____								
b. Is lendor a related party? _____								
c. Purpose of loan _____			\$ _____	\$ _____	\$ _____	\$ _____	% _____	\$ _____
5a. Lendor _____								
b. Is lendor a related party? _____								
c. Purpose of loan _____			\$ _____	\$ _____	\$ _____	\$ _____	% _____	\$ _____
6a. Lendor _____								
b. Is lendor a related party? _____								
c. Purpose of loan _____			\$ _____	\$ _____	\$ _____	\$ _____	% _____	\$ _____
7a. Lendor _____								
b. Is lendor a related party? _____								
c. Purpose of loan _____			\$ _____	\$ _____	\$ _____	\$ _____	% _____	\$ _____

8. Total Loan Principal \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ Total Expense \$ \_\_\_\_\_

INSTRUCTIONS FOR  
Schedule 34  
DEPRECIATION EXPENSE

Schedule 34 provides a detailed list of plant asset depreciation expense for the reporting period and the related balance sheet amounts by major groups of plant assets. Such expense and balance sheet amounts should be reported according to generally accepted accounting principals.

Section I - Capitalized Historical Cost

Historical cost is the total actual cost incurred in acquiring and preparing a plant asset for use. Such cost can include purchase price, architect fees, consulting fees, legal fees, interest expense incurred during construction and installation costs. The historical cost would be reduced by such things as discounts, rebates or litigation settlements received from the construction contractors or sellers of the plant assets.

In Section I report the nursing home provider's total historical cost of each plant asset group as indicated by the column and line headings. Fixed equipment can be included with building if the provider's records do not readily allow for the separation of historical costs.

Section II - Depreciation Expense And Accumulated Depreciation

Depreciation expense is the amount which results from distributing the capitalized historical cost, less salvage value, among the accounting periods of an asset's estimated useful life. Accumulated depreciation on a specific date is the summation of depreciation expense which has been distributed among accounting periods prior to that date.

Estimated Useful Life. In Section II, Column A, list the depreciable useful life or the range of the most common depreciation lives used.

The depreciable life of an asset is its estimated useful life to the provider; not necessarily the inherent useful or physical life. The useful life is determined in the light of the provider's experience and the general nature of the asset and other pertinent data. Some factors for consideration are: (a) normal wear and tear, (b) obsolescence due to normal economic and technological advances, (c) climatic and other local conditions, and (d) providers' policy for repairs and replacement. Factors such as expected earlier sale, retirement or demolition of an asset may not enter into a determination of the estimated useful life of an asset.

In estimating a reasonable useful life, providers should follow the useful life guidelines published by the American Hospital Association or the Internal Revenue Service. Any significant deviation from the useful lives in these guidelines should be supported by convincing evidence generally describing the realization of some unexpected event. The depreciation options made available for income tax purposes, such as those offered under the Asset Depreciation Range System or the Additional First-Year Depreciation, may not be used. A composite useful life may be used for a class or group of assets. Building and fixed building equipment may be depreciated using a composite life.

In general, a reasonable useful life for moveable equipment is 10 to 15 years. Some examples of useful lives for specific items are: bed-15, mattress-8, office machines-5 to 8, wheel chair-15, bedside cabinet-15, other cabinets-20, wood table-12, metal table-20, household range-15, oven-10 to 15, commercial refrigerator-10, commercial washing machine-10.

Depreciation Method. Both depreciation expense and accumulated depreciation should be reported in this cost report using the "straight line" depreciation method. In Section II, Column A, indicate the depreciation method used.

Definitions

Land. Land includes the land owned by and used in the operations. Included in the cost of land are the cost of such items as off-site sewer and water lines, public utility charges necessary to service the land, governmental assessments for street paving and sewers, the cost of curbs and sidewalks of which replacement is not the responsibility of the provider, and other land expenditures of a non-depreciating nature.

Land Improvements. Depreciable land improvements include paving, tunnels, underpasses, on-site sewers and water lines, parking lots, shubbery, fences, walls, etc. (if replacement is the responsibility of the provider).

Building. Building includes, in a restrictive sense, the basic structure or shell and betterments and additions thereto. The remainder is identified as fixed (or building) equipment.

Leasehold Improvements. Leasehold improvements include betterments and additions made by the lessee to the leased property. Such improvements become the property of the lessor after the expiration of the lease. Such improvements may be depreciated over the useful life of the improvement or the remaining term for which the provider will have use of the property, whichever is shorter.

Fixed Equipment. Fixed equipment includes attachments to buildings, such as wiring, electrical fixtures, plumbing, elevators, heating and air-conditioning systems, nurse call systems, etc. In general this equipment is affixed to the building and not subject to transfer.

Moveable Equipment. Moveable equipment includes such items as beds, desks, wheelchairs, tables, washers, ranges, refrigerators and office equipment. In general such equipment is capable of being moved within or from the building in contrast to fixed equipment which is affixed to the building and is an inherent but separately identifiable part of the building.

See Section 900 of the "Instruction Booklet" regarding capitalization of moveable equipment -versus- the expensing of minor equipment in this cost report.

Round all amounts to whole numbers.